

Wisconsin Labor Laws

If your business will have employees, you need to be aware of your “employer” obligations to the state and federal government. In addition to state and federal withholding tax requirements, employers also need to be mindful of the following requirements.

New Hire Reporting Law

Wisconsin requires all employers to report newly hired employees within 20 days to the Department of Workforce Development. This information is used for child support enforcement purposes and to detect fraud in public assistance programs. An individual is considered a “newly hired employee” on the first day he or she actually performs wage earning services and not the day they were hired.

Every newly hired employee is required to file a completed Wisconsin Withholding Exemption Certificate (Form WT-4) with each of his or her employers. A copy of form WT-4 must be forwarded to the Department of Workforce Development. Employers can report new hires online at the Department of Workforce Development’s Web site at www.new-hires.com/wi/nh/ or by phone at 1-888-300-4473.

Unemployment Insurance (UI)

Unemployment insurance is a payroll tax that an employer must pay if any one of the following conditions of Wisconsin employment exist:

- You paid wages of \$1,500 or more in a quarter in any calendar year.
- You employed one or more individuals in employment for some part of a day in 20 or more weeks in any calendar year. The weeks need not be consecutive and part-time employees must be included in the employee count.
- You’ve paid any wages for Wisconsin employment and you have a liability for that year under the Federal Unemployment Tax Act (FUTA).
- You’ve taken over part or all of the business of an employer already covered under the law.

There are UI conditions exclusive to agriculture, domestic, and nonprofit employers, and wages paid to certain individuals are excluded from the unemployment compensation tax.

An employer pays unemployment compensation tax on the first \$10,500 in wages paid to each employee in a calendar year. For example, if an employee earns \$16,000 in a calendar year, only the first \$10,500 is taxable. The remaining wages of \$5,500 are excluded from the unemployment compensation tax. An online application for employers to file unemployment compensation tax and wage reports is available at ww.dwd.state.wi.us/uitax/file_tax_report.htm or you can request applications by phone at 608-261-6700.

Worker’s Compensation (WC)

Worker’s Compensation provides a method to restore an injured worker as nearly as possible to the pre-injury earning capacity and potential. Under worker’s compensation, employers receive the assurance they will not be sued for damages, medical care, and lost wages if their

employees get injured while working. Wisconsin law requires that you carry worker's compensation insurance for your employees when any of the following circumstances apply:

- If you usually employ three or more full-time or part-time employees, you must get insurance immediately.
- If you employ one or more full-time or part-time employees and pay combined gross wages of \$500 or more in any calendar quarter for work done at one or more locations in Wisconsin, you must have insurance by the 10th day of the first month of the next calendar quarter.
- If you are a farmer who employs six or more workers on the same day for any 20 days during the calendar year, you must get insurance by the 10th day after the 20th day of employment.

Out-of-state employers must have worker's compensation insurance if they have employees working in Wisconsin. The policy must be with an insurance company licensed in Wisconsin and endorsed to name Wisconsin as a covered state in Section 3a of your policy.

Sole proprietors, partners, and members of limited liability companies are not considered or counted as employees under the Wisconsin Worker's Compensation Act.

While state law requires that you have worker's compensation insurance, the state is not the insurance carrier. Worker's compensation insurance is usually obtained through a private insurance company, however, all companies writing worker's compensation insurance must be members of the Wisconsin Compensation Rating Bureau (Bureau). About 300 insurance companies are licensed with the Bureau and listed at www.oci.wi.gov/workcomp/wclccos.htm.

If you're unable to get coverage for your business from an insurance company, you can get insurance through the Wisconsin Compensation Rating Bureau. Visit www.wcrb.org or call 262-796-4540 for more information.

The Department of Workforce Development (DWD) can exempt self-insured employers from their duty to purchase worker's compensation insurance if the employer can demonstrate that they have the financial ability to pay all claims arising from injuries occurring in their workplace. The DWD Council ensures that those employers applying for self-insurance are financially viable.

Civil Rights

The Civil Rights Bureau at the Department of Workforce Development provides employers interpretative materials on the following civil rights laws:

*Fair Employment
Public Accommodations
Post Secondary Education*

*Open Housing
Family and Medical Leave
Retaliation Protection*

Informational materials can also be obtained through DWD's Web Site at www.dwd.state.wi.us/er/labor_standards_bureau/default.htm or call the Equal Rights Division at 608-266-6860.

Wisconsin Labor Standards

The Department of Workforce Development (DWD) administers a number of labor standard laws which vary considerably in their coverage and requirements. The DWD Labor Standards Bureau provides employers interpretative materials on the following labor laws:

Prevailing Wage Rates
Records Open to Employee
Street Trades
Minimum Wage
Business Closing/Mass Layoff
Cessation of Health Care Benefits

Hours of Work and Overtime
One Day of Rest in Seven
Child Labor
Private Employment Agencies
Wage Payment & Collection

Employers covered by these standards also may be subject to similar federal laws and regulations. In cases where the laws contain different requirements, and the state regulations are more stringent, DWD is required by law to enforce the state regulations.

Labor Poster

Wisconsin and federal laws require employers to display certain posters and notices at their worksites. For a complete poster packet with all the DWD produced posters, contact Document Sales at 1-800-DOC Sale. Ask for poster packet #1402. Online state and federal poster information is available at www.dwd.state.wi.us/dwd/posters.htm.

Federal Labor Laws Assistance

Small businesses may contact the U.S. Department of Labor (DOL) Office of Small Business Programs directly with their compliance assistance or regulatory fairness questions by calling 1-888-972-7332 or visiting www.dol.gov/elaws.